



STATE OF UTAH
NATURAL RESOURCES & ENERGY
Oil, Gas & Mining

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MEMORANDUM

TO: Dr. G.A. (Jim) Shirazi, Director, Oil Gas and Mining

FROM: Thomas N. Tetting, Engineering Geologist

SUBJECT: Outline of History and Request for Action on an Unpermitted Mining Operation
Colorado River Placer Mine
ACT/019/011
Grand County, Utah

DATE: April 15, 1983

Attached to this memo is a summary of activity involving the Division's contact with a placer gold mining operation at the Dewey Bridge on the Colorado River. Sustained activity and growth of the operation's disturbance in a haphazard and degradational manner has brought the matter to an unavoidable and extremely noticeable position.

The Division's most recent inspection in cooperation with the State Health Department has determined that included among the problems associated with the unchecked and rampant development is the current use of mercury on-site and its subsequent addition to the Colorado River. It is felt that if the operator(s) had been in contact with the Division concerning a systematic plan for development that the continued problem over compliance with State and Federal environmental and regulatory laws would be avoided.

The major difficulty confronted so far has been the jurisdictional situation created by the operator(s) claiming exemption from filing a mine plan due to the less than 2 acre disturbance supposedly created. However all the disturbances (25+ acres) are contiguous and somewhat inter-related due to the joint development and use of access roads, pits and ponds. Further investigations have determined that confusing and possibly erroneous filings of mine claims with the BLM have deliberately fragmented the issue whereby ownership or responsibility is difficult to assess.

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The proposed solution to the problem is to permit the activity as a mining operation and provide technical assistance in the systematic development of the property. In order to do that the following steps need to be taken:

1. Research, perhaps by a legally informed person, i.e. an attorney, into the claims filed with the BLM and a determination of their location on a map of the property should be performed for 1977 - 1983. Suspicions that misfiled and misleading claim names have been registered should be ascertained and brought to light.
2. A series of sub leases made between Mr. Barnes and others over the past 2 years is a verifiable fact. It is proposed that he is actually the designated "operator" for all related property involved over and above his 2 acre exempted status. This approach should be a tenable one for the Division. If Mr. Barnes were the designated "operator", the Mined Land Reclamation Act provides that he submit a mine plan for the disturbed areas.
3. If this "operator" designation is applicable, then the DOE in force for his operation will need to be revoked and a request made for him to file a mine plan.
4. Because the property is managed by the BLM, a letter should be sent to Gene Nodine, District Director, requesting closer observation of the operations and to institute the instruction of the tenets of contemporaneous reclamation.

Should the Division's attorney be unable to pursue investigation of the situation I would volunteer to complete it or work with her on the case. It is reasonable to bring up at this time my own lack of training in legal claim work and a personal desire to complete a two day course in the understanding of these areas at the next available offering by the University of Nevada (MacKay School of Mines, Reno).

The situation is fast becoming one that is completely out of hand. The Division, together with the State Health Department ought to be able to seize this opportunity to bring the matter under control. Should the developments become an instance of public attention or record, the Division's position is not a favorable one. I hope the developments seem sufficiently urgent for your attention and recommend that they be acted upon immediately.

TNT/lm

cc: Ron Daniels, DOGM, w/attachment
Jim Smith, DOGM, w/attachment
Joe Helfrich, DOGM, w/attachment
Barbara Roberts, Atty, w/attachment

Attachment

HISTORICAL SUMMARY
OF PLACER ACTIVITY
AROUND THE DEWEY BRIDGE GRAVEL PIT
(Sections 17 and 18, T. 23 S., R. 24 E.)

In 1976 the BLM informed the Division of the operation of a placer mining outfit at the Dewey Bridge. The Cohee Placer Gold Mining Operation is the first documented work in the area of an existing gravel pit on the banks of the Colorado River.

On April 9, 1981 the Division inspected the site along with a representative of the BLM. Mining operations were in progress. A Canadian firm, Diatex, Inc. (Diamin Holdings LTD) was on-site. Active sediment discharges were occurring into the Colorado River. A request was made of the company to file a mine plan. It was submitted to the Division on April 12th. Prior to the completion of the review by the Division, a Declaration of Exemption for it was filed for a 2 acre site (on April 13, 1981) composed of Poor Boy claims #'s 1, 2, 3; #1 in section 18, T. 23 S., R. 24 E. and #'s 2 and 3 in section 17, T. 23 S., R. 24 E.

The Division requested that discharges into the river again cease on April 17, 1981. State Health also requested a cessation of discharges on April 29, 1981.

Another inspection on April 24, 1981 revealed that excavations had continued but that no personnel were on-site.

A letter to the Utah State Clearinghouse on May 27, 1981 dictated the concerns of the Army Corps of Engineers over the actions. Additional mining and operational plans were received by the Division the day before.

On June 15, 1981 the Division sent the review questions compiled from analysis of Diatex's submitted plans.

The Director of the Division of Wildlife Resources sent a letter to the State Planning Coordinators office on June 22, 1981 urging restoration of the disturbed area to a natural condition including revegetation efforts.

On June 24, 1981, the Environmental Coordinating Committee of Utah completed review of the Cease and Desist Order issued to Diatex by the Corps of Engineers. It urged that a decision of whether or not a permit should be issued be determined through a public notice review system.

The BLM approved the operational plans for the mine and prepared an EA for the site (June 5, 1981).

Also in July of 1981 the BLM received a notice filed for work on the Pay Day 1 and 2 claims (Clive Stewart claimant) by Del Cornado Gold, Inc. The Division received no notice of the action.

In February of 1982 another copy of the initial Division review was sent to a new Diatex address in Canada. The original was apparently returned in September, 1981 and had never reached the company. A communication on February 18, 1982 indicated that Diatex folded in the fall of 1981. Problems with the Corps of Engineers could not be resolved.

All property and equipment was reported to belong to Bob Barnes.

On July 12, 1982 the Division again inspected the site. An estimated 25 - 30 acres of disturbance had occurred since 1981. No one was on-site and no reclamation had taken place. It appeared that two separate operations were on-going including: 2 gravel screen-hoppers, trailers, trucks and newly bladed roads to the eastern wash location. This has remained dammed from earlier construction.

A company, Engle Industries from Grand Junction was contacted about filing a DOE for their activity shortly thereafter. They never complied. A lawsuit by Robert Barnes for damages by Engle Industries, Inc. is said to be in the courts.

Another subleasee, Howard Davidson from Moab, also worked on the claims in 1982, but no filing was ever received.

On October 6, 1982 the Division met with Robert Barnes on-site. He was actively mining; pumping water from the Colorado River for use and allowing it to flow back over a check-dam. On October 20, the Division received a DOE form from Mr. Barnes for the Poor Boy #2 claim.

The Division inspected the site again on April 5, 1983. Tom Tetting, Pam Grubaugh-Littig, Susan Linner and Tom Portle arrived on-site with Steve McNeal from the State Health Department and Jim Adamson from the Moab Sanitation Department. Previously heard generator noises or equipment operation had ceased before the arrival and no one was on-site. Evidence of the day's earlier front-end-loader activity was apparent as were signs of current sluice box use. Disturbances in many areas of the property are new: larger cuts, 10-15 highwalls have been created, new roads cut into the bench, a new area has been created where the old Diatex millsite was to be situated (a foundation of gravel has been laid down and the access is gravel-surfaced). Sluice boxes feed into ponding areas, water pumped from the river washes the gravel in the boxes and is checked in these ponds. All ponds appeared to be newly breached; on some of them repairs had been attempted, but unsuccessfully; signs of sediment contribution to the river were noticeable. Additionally, mercury was found at all levels of the sluice boxes. It was lodged in cracks and protrusions and appeared to have been used in conjunction with the gold separation process. It was easily ascertained that the substance could have washed through the breached ponds and into the river.

The State Health Department has agreed to send a Cease and Desist Order to Robert Barnes for discharging into the river and failure to maintain adequate retention ponds.

Mr. Barnes is not currently registered with the BLM for the Poor Boy Claims. They have 1981 files for the Pay Dirt claims showing assessment work completed. 1982 work is missing. No other information was available from the BLM office in Moab at this time, although Lynn Jackson has expressed an interest in the problem.

TNT/lm